

E36 Capital Corp. | TSXV: ETSC.P
Suite 1430, 800 West Pender Street
Vancouver, BC, V6C 2V6

For Immediate Release

*THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES FOR
DISSEMINATION IN THE UNITED STATES*

E36 Capital Announces

Upsizing of Concurrent Financing to \$3,718,900

VANCOUVER, BC, CANADA, February 22, 2021, E36 CAPITAL CORP. (TSX.V: ETSC.P) (“**E36**” or the “**Company**”), a Capital Pool Company as defined in the policies of the TSX Venture Exchange (the “**TSXV**”), further to its news release of January 29, 2021 regarding the receipt of conditional acceptance from the TSXV in respect of its previously announced "Qualifying Transaction" pursuant to Policy 2.4 – Capital Pool Companies with Kalo Gold Corp. ("**Kalo**") (the "**Transaction**"), is pleased to announce an increase in the size of its non-brokered private placement of common shares (each, an "**E36 Share**") in the Capital of the Company at a price of \$0.20 per E36 Share (the "**Concurrent Financing**").

The Concurrent Financing, as previously announced, was to consist of the issuance of 16,100,000 E36 Shares for minimum total gross proceeds of \$3,220,000. Due to overwhelming demand, the Company now intends to issue an additional 2,494,500 E36 Shares at a price of \$0.20 per E36 Share for minimum total gross proceeds of \$3,718,900.

Based on the number of currently issued and outstanding common shares of Kalo (each, a "**Kalo Share**"), it is expected that upon the Completion of the Transaction the Company will issue to the shareholders of Kalo a total of 27,450,000 Shares, on the basis of one E36 Share for each Kalo Share, at a deemed price of \$0.20 per E36 Share. As a result of the increase in the Concurrent Financing, the number of E36 Shares outstanding at the closing of the Transaction will increase, such that there will be 53,654,500 Shares, rather than the previously announced 51,160,000 E36 Shares outstanding on completion of the Transaction. The E36 Shares issued pursuant to the Concurrent Financing are expected to constitute 34.7% of the issued and outstanding E36 Shares upon the completion of the Transaction.

The following table sets out information respecting the Company’s expected sources of cash following the completion of the Transaction. The amounts shown in the table are estimates and are based upon the information available to the Company and Kalo as of the date hereof:

Sources	Amount (\$)
Estimated combined working capital of the Company and Kalo as at January 31, 2021	121,077
Gross proceeds of Concurrent Financing	3,718,900 ⁽¹⁾
Estimated funds available to the Company upon completion of the Transaction	3,839,977

⁽¹⁾ Does not take into account any commissions or other fees to be paid in connection with the Concurrent Financing.

The following table sets out information respecting the Company's intended principal uses of funds for the 12 months following the completion of the Transaction. The intended uses of funds may vary based upon a number of factors and variances may be material. The amounts shown in the table are estimates and are based upon the information available to the Company and Kalo as of the date hereof:

Use of Funds	Amount (\$)
Estimated Transaction Costs	264,134 ⁽¹⁾
Wages and salaries	336,000 ⁽²⁾
General and administrative expenses for the next 12 months	282,120 ⁽³⁾
Communications, promotions and marketing	236,000
Phase 1 drilling expenses and exploration cost	1,733,434
Unallocated funds	988,289
Total	3,839,977

⁽¹⁾ Includes legal fees, auditor review fees, and filing fees incurred or expected to be incurred in connection with the Transaction. Also includes a cash fee of an aggregate of approximately \$114,134 (the "**Financing Fee**") to be paid to PI Financial Corp., Leede Jones Gable, Echelon Wealth Partners, Haywood Securities Inc., and Canaccord Genuity Corp. for introducing certain placees in connection with the Concurrent Financing. This is greater than the previously disclosed value of the Financing Fee, which was \$112,200.

⁽²⁾ Includes employee and consultant expenses of \$60,000 and management salaries and fees of \$276,000.

⁽³⁾ The estimate of general and administrative costs for the 12 months following the Closing includes: office and general expenses of \$48,000; professional service fees of \$177,500; travel, meals and entertainment of \$20,000; and TSXV and transfer agent fees of \$36,620.

All E36 Shares to be issued under the Concurrent Financing will be subject to a statutory hold period of four months and one day from the closing of the Concurrent Financing. None of the E36 Shares to be issued in connection with the Transaction or the Concurrent Financing have been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of E36 Shares in the United States or in any other jurisdiction where such offer, sale or solicitation would be unlawful.

The completion of the Transaction is subject to a number of conditions, including, but not limited to, receipt of all required regulatory approvals, including final approval of the TSXV, approval of the Transaction by shareholders of Kalo, and satisfaction of other customary closing conditions. Assuming all conditions are satisfied, closing of the Transaction is expected to occur on or about February 23, 2021, or such other date as may be determined. Upon completion of the proposed Qualifying Transaction, the Company is expected to meet all of the minimum listing requirements of the Exchange for a Tier 2 Mining issuer.

Trading of the E36's Shares will remain halted until such time as the TSXV may determine, having regard to the completion of certain requirements pursuant to the CPC Policy. The common shares of E36, as the Resulting Issuer, will resume trading under the symbol "KALO" following the publication of a final exchange bulletin by the TSXV in respect of the closing of the Transaction.

Further details of the Transaction will follow in future news releases.

About Kalo Gold Corp.

Kalo Gold Corp. is a mineral exploration company focused on the Vatu Aurum gold project on Fiji's north island -- Vanua Levu. Kalo holds two mineral exploration licenses covering over 36,700 hectares of land and on trend with many of the largest gold deposits in the world within the Southwest Pacific Ring of Fire.

About E36 Capital Corp.

E36 Capital is a capital pool company within the meaning of the policies of the TSX-V. The company has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC policy, until the completion of its qualifying transaction, the company will not carry-on business, other than the identification and evaluation of companies, businesses or assets, with a view to completing a proposed qualifying transaction.

Completion of the transaction is subject to a number of conditions, including TSX-V acceptance and, if applicable pursuant to TSX-V requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

On behalf of E36 Capital Corp.

Kevin Ma
Chief Executive Officer

For more information contact:

Kevin Ma
E: kevin@calibrecapital.ca
P: +1 (604) 363-0411

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Forward Looking Statements Disclaimer

Certain statements in this release are forward-looking statements, which are statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward looking statements in this news release include statements relating to the Concurrent Financing, the funds available to the Company on completion of the Transaction and the proposed use of such funds, and with respect to the closing of the Transaction. Completion of the transaction is subject to a number of conditions, including TSXV approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements, other than statements of historical fact, included in this release, including statements regarding the Transaction and the future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include the failure to satisfy the conditions to completion of the Transaction set forth above and other risks detailed from time to time in the filings made by the Company pursuant to applicable Canadian securities laws.

The reader is cautioned that assumptions used in the preparation of any forward-looking statements herein may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, the Company cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect, and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.